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Next 2 Page(s) In Document Denied

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Subject: Ministry of Construction and Building Materials Industry.
Structure and Responsibilities.

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Introduction

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This part describes the role, responsibilities and organization of the Ministry of Construction and Building Materials Industry and those units of the Ministry which are the base of the construction industry. Various other tasks of this Ministry such as the building materials industry and its role as a construction authority are only mentioned.

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ContentsPage

- (1.) The share of the Ministry of Construction and Building Materials Industry in the production of state enterprises by the contracting system 1
- (A) Diagram I Various types of construction in 1958 and 1959 4
- (2) The principles of organization of the Ministry of Construction and Building Materials Industry 7
- (3) Organizational Structure of the Ministry of Construction and Building Materials Industry 13
- (A) Top level executive officials 13
- (B) Departments 14
- (C) Organizational chart of the Ministry of Construction and Building Materials Industry 18
- (D) Materials Industry 18

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- end -

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1. The share of the Ministry of Construction and Building Materials Industry in the production of state enterprises by contracting system.

The Ministry of Construction and Building Materials Industry is the largest contractor of construction in Poland; its activity is to a great extent decisive for the results of the entire state construction industry. This decisive role of the Ministry of Construction is the consequence of the following factors:

a. The share of quantity and volume of construction-assembly construction. The Ministry of Construction performs from 48 to 52, on average 50%, of all construction-assembly work done by the contracting system in Poland. Of course in relation to total national construction work --including that implemented by co-operatives, the private sector, and by the selfmanagement state economic system-- it amounts to only 35%. These figures refer to the financial value of construction.

b. The share in housing construction. 368,600 rooms were built in Poland in 1958, of which 198,700 rooms by the state contracting system , which means that the state construction 25X1 industry implemented, by the contracting and by the selfmanagement economic system, 54% of rooms. The state construction enterprises implemented 175,000 rooms, i.e. 48% of the total rooms built in Poland in 1958. The Ministry of Construction itself implemented 127,000 rooms i.e. 73% of all rooms built by the state construction industry. This equals only 34.5% of the total rooms built in 1958 in Poland. If we consider only the state contracting sector, although the Ministry of Construction represents only 50% of the potential of the state contracting system, it implements almost three quarters of the rooms built by the state contracting system. This shows that the Ministry of Construction occupies a decisive place in housing construction. For this reason, housing construction is a basic part of the Ministry's production activity and uses about 39% of its construction-assembly production.

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c. The Share in Industrial Construction.

The Ministry of Construction performs two thirds of the total industrial construction in Poland. The Ministry of Construction mainly builds factories, and its share in factory construction amounts to about 90% (Mining, transmission network, and capital repairs of the industrial construction is implemented by other ministries.) Industrial construction work amounts to about 35% of all contracts of the state construction enterprises in Poland

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The industrial construction amounts to 33% of all contracts of the Ministry of Construction.

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d. The share in engineering construction.

The Ministry of Construction is not the leading ministry in the field of engineering construction as it is in housing and industrial construction. Ministry of Transportation is the leader in this field while the Ministry of Construction does only 26% of the total engineering construction in Poland. In addition the Ministry of Construction concentrates on the principal projects and for this reason in the construction of bridges and hydraulic-engineering construction it plays a decisive role. These engineering constructions amount to about 16% of all contracts of all state construction-assembly enterprises, and to about 10% of all contracts of the Ministry of Construction.

e. The share in general construction, in social-cultural, office buildings, shops and warehouse construction.

In this field the Ministry of Construction is not a leading ministry, but has an important share. This kind of construction amounts to about 12% of the total production of all state construction enterprises in Poland,

the Ministry of Construction performs about 45% of this 12%. Such construction amounts to about 10% of all contracts of the Ministry of Construction.

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f. Other types of construction.

The Ministry of Construction does not play any important role in rural construction

which is dominated by the private sector, nor in capital repairs to housing where Ministry of Communal Economy is dominant, nor in capital repairs of factories, roads, railroads, transmission network, mines etc., where the self-management economic system of responsible ministries is dominating. Rural construction amounts to about 6% of the value of contract work of the Ministry of Construction.

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Summing up, it can be stated that the Ministry of Construction in relation to the production of the state construction-assembly enterprises performs:

73%	of housing construction
66%	of industrial construction
26%	of engineering construction
45%	of social-cultural, shops, warehouses and forestry
75% (estimated figure)	of rural and forestry construction implemented by contracting system

and 50% of the total production of state enterprises by the contracting system.

It should be remembered however that the production of the state construction-assembly enterprises by contracting system amounts only to 70% of the total national construction production, consequently in various fields the share of the state contracting system is different, and e.g. in rural construction drops to 3%.

The diagram on the next page shows how the contracts of the Ministry of Construction are divided among the individual types of work.

DIAGRAM I

BASIC CONSTRUCTION ASSEMBLY PRODUCTION OF THE MINISTRY OF CONSTRUCTION
AND BUILDING MATERIALS INDUSTRY DIVIDED INTO VARIOUS TYPES OF CONSTRUCTION







IN 1958 AND IN 1959

/without auxiliary industrial production/

BASIC CONSTRUCTION ASSEMBLY PRODUCTION
OF THE MINISTRY OF CONSTRUCTION AND
BUILDING MATERIALS INDUSTRY 100 %

The share of the total national construction-assembly production 35 %
of the contracting system of state construction-assembly enterprises 50 %

Of which :

	HOUSING CONSTRUCTION	39 %
	INDUSTRIAL CONSTRUCTION	33 %
	ENGINEERING CONSTRUCTION	10 %
	SOCIAL-CULTURAL, OFFICE BUILDINGS AND SHOPS & WAREHOUSES	10 %
	RURAL CONSTRUCTION	6 %
	VARIOUS UNSPECIFIED	2 %
<hr/>		
TOTAL		100 %

Scale : horizontal lines 100% equals 10 cm

g. The share in employment.

The employment of the Ministry of Construction and Building Materials Industry amounted:

in 1954	to 351,359 persons
1955	" 332,325 "
1956	326,378

according to an article by W. Kopec published in Technical Review (Przegląd Techniczny) No 15, 1958.

It should be remembered however that the above figures also include persons employed at the Construction Designing and Consulting offices and in the auxiliary production, which do not belong to the construction-assembly production but to the so-called basic production of the Ministry of Construction.

the employment in basic production amounted:

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		<u>Physical Labor</u>	<u>White Collar</u>	<u>Total</u>
in 1954	to	210,203	68,698	278,901
1955		191,860	67,679	259,540
1956		193,145	60,426	253,571
1957		181,120	54,862	235,982
1958		172,130	52,000	224,130

For comparison, according to the Statistical Yearbook 1957 page 193 the total national employment in the state construction-assembly enterprises amounted in 1956 to 619,599 employees of which in state construction-assembly production 386,593 workers

The table below shows the employment figures for the year 1956 for comparison

	Employment	
	Total	Workers in the basic construction assembly production
a. The state enterprises in the entire country	619,599	386,593
b. The Ministry of Construction	332,325	193,145
c. Percent b to a	53%	50%

Remark: The figures referring to the period before the merger of the Ministry of Construction with the Ministry of Building Materials Industry, which took place in March 1957, include the total figures from both ministries.

In 1956, the Ministry of Construction employed about 50% of the total employees of all construction-assembly state enterprises in the entire country. At the same time the production of this ministry also amounted to about 50% of the total production of state enterprises by the contracting system. However after 1956, the employment at the Ministry of Construction dropped a little and at present, in 1958 amounted according to source's own estimate, to about 46% of the total employment of the state construction industry. This is the result of the fact that the Ministry of Construction is better equipped and is able to implement 50% of total production employing only 46% of the labor.

h. Other factors having influence on the decisive role of the Ministry of Construction in the construction industry.

Besides the above listed eight factors which have influence on quantity of the total production of the important individual types of construction and employment, the role of the Ministry of Construction is enlarged by a number of rights and special means granted by the government such as:

- (1) Larger investments for construction industry itself, than in other state construction enterprises subordinate to other ministries.
- (2) Better allocations of machinery and equipment
- (3) The right of choosing principal (key) and large construction projects
- (4) The privilege of keeping of a large designing and consulting apparatus and own scientific-research establishments
- (5) Performance of technical supervision over some enterprises and establishments not subordinated administratively to the Ministry of Construction
- (6) The right to fix norms and issue necessary instructions^s for the construction industry, which are binding on all ministries.

These privileges, some of which are becoming also burdensome duties, are increasing the influence of the Ministry of Construction and Building Materials Industry on the entire construction industry in Poland.

2. The principles of organization of the Ministry of Construction and Building Materials Industry.

The Ministry of Construction and Building Materials Industry has a complicated and sometimes not very clear organizational structure, a situation caused by various reasons.

a. Historical reasons.

The Ministry of Construction and Building Materials Industry was created by a merger of two ministries, the Ministry of Construction and the Ministry of Building Materials Industry, in March 1957. Therefore there is a transitory period in the internal division of the organization, and there are still two separate "parallel" vertical lines, namely one vertical line of construction and another of construction materials. This setup leads in some cases to duplication of activities, e.g. there is a Planning Department for the construction-assembly production and a separate one for the building~~ing~~ material industry. There are also two Administrations of Technics, one known as Technological Department in charge of problems connected with technical progress in the building material industry

and another Administration of Technics for the construction industry. Finally there is a separate line of production of prefabricated elements which is situated on the border line between the construction industry and building materials industry and their organization is not consistent. Some plants manufacturing prefabricated elements belong to the construction enterprises and even very large factories producing building materials such as cinder blocks are under the management of Construction Administrations and not controlled by the building materials industry.

The organizational statute of the new ministry was enacted and approved by the Ministers Council as late as 1959, and according to it, all these organizational confusions have to be removed, and a simple clear structure without duplication has to be created by 1960. This historical impact is even greater because the Ministry of Construction itself was merged ^{and} was not yet fully organized since nine months before, i.e., in May 1956 it was created by a merger of the Ministry of City and Settlement Construction and the Ministry of Industrial Construction.

b. Technical-economic reasons.

The organization of the Ministry of Construction is complicated by the fact that the ministry administers such various operation as:

(1) building materials industry i.e. a medium type industry and

(2) construction industry which is partly an industry but of a different character and which has entirely different economics than industrial mass production. It is difficult to find a similar organization in the West because any industrial ministry in Poland is in fact a large business organization.

The former Polish Ministry of Metallurgy was a business organization

but the

Ministry of Construction and Building Materials Industry is a large company

producing building materials and at the same time a very large construction organization. It is understandable that dualism creates some difficulties and organizational confusion.

- c. The third reason is the responsibility of the ministry as the highest authority and administration for construction.

These responsibilities have nothing in common with the construction industry and resemble rather the responsibilities of such ministries of construction which exist in the West, in England or in Western Germany. They include construction policy, setting norms for material and labor, protection of public interest in safety and hygiene on the national level, and coordination in various fields as a central state office. The situation is also complicated by the fact that there are other state organs in Poland concerned with the construction industry, such as Ministry of Communal Economy, Committee for Urbanization and Architecture and so on, and as a result the Ministry of Construction often duplicates their work.

- d. The fourth~~th~~ reason is the role of the Ministry of Construction as a national planning office in accounting and distributing some building materials for the entire country. Assisting in planning and allocation of building materials ^{for} the State Economic Planning Commission required a lot of work and a special apparatus.

- e. The fifth reason is the responsibility of the Ministry as a functional supervisory authority..

In this capacity the Ministry of Construction supervised a large net of enterprises not subordinated to it such as: County Construction Enterprises (Powiatowe Przedsiębiorstwo Budowlane-PPB) and Local Enterprises of the Building Materials Industry (Przedsiębiorstwo Terenowego Przemysłu Materialow Budowlanych-PTPMB). The Ministry was not responsible for their financial

results but for their production methods, technical progress, for training of workers. It has a common responsibility with the peoples councils for the implementation of the planned production.

- f. The sixth reason is its responsibility for technical progress in the construction industry.

The Ministry is responsible for technical progress not only in its own enterprises and in those over which it has functional supervisory authority (see e) but also in other enterprises and in all construction industry establishments all over the country. In connection with this, the Ministry maintains research and project planning offices, prepares plans, designs and models, conducts scientific research not only for the Ministry but also on national construction problems. It also conducts basic research, in cooperation with the Polish Academy of Sciences, in the construction field; therefore its scientific and designing activities are much greater than required for a large producer and business organization. The Ministry is responsible for training construction workers for the entire construction industry, even for rural peasants construction, and should ^{train} e.g. so many bricklayers that the plans for housing and rural construction could be implemented without damaging the national investment plan, has its own net of construction vocational schools and courses.

g. The Seventh reason is a hybrid organizational structure in the subordinated administrations (Central administrations, administrations and associations). From the two possible principles of division; according to branches and production specialization, or according to location or regional division; the ministry accepted both solutions. Although this hybrid (heterogenous) structure is in some cases reasonable, nevertheless it complicates the organizational structure of the ministry.

- h. The final reason is almost the continuous reorganization.

In 1945 the Ministry of Reconstruction was created:

In 1948 it was converted into the Ministry of Construction;

In 1951 it was divided into two ministries: the Ministry of City and Settlement Construction and the Ministry of Industrial Construction, in addition the Committee for Urbanization and Architecture was created:

In 1953 the Ministry of Building Materials Industry was created by the separation of a group of departments from the Ministry of Light Industry, which was until then responsible for the production of building materials;

In 1956 the Ministry of City and Settlement Construction and the Ministry of Industrial Construction were merged in one Ministry of Construction;

In 1957 the Ministry of Construction was merged with the Ministry of Building Materials Industry under one name, the Ministry of Construction and Building Materials Industry;

In 1958 a new system of regional administrations was accepted and these administrations were transferred to the provincial voivodship towns;

In 1959 the names of Administrations and Central Administrations are changed to Associations, restricting their management responsibilities. This is still in process.

Finally since 1956, the reduction of personnel at the Ministry and in central administrations is causing a transitory situation within the organization of the Ministry.

All these above listed reasons;a. The impact of historical origins

b. The technical-economic differences

c. Role of the Ministry as construction authority

d. Role of the Ministry as planner for PKPG

e. Functional supervision of Unsubordinated enterprises

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f. Responsibilities for technical progress in construction

g. Hybrid structure

h. Continuous reorganization

must be taken into account when studying the current organizational structure of the Ministry of Construction and Building Materials Industry. Thus the sphere of responsibilities of the Ministry of Construction and Building Materials Industry is very broad. [] the following method should be applied when describing the organization of the ministry. 25X1

a. First describe the tasks and functions of the ministry as an organ responsible for the construction policy and for management of construction problems as a part of national economy.

b. Secondly describe separately the role, the tasks and organization of the Ministry as a large business organization of the construction industry like a large company.

[] on the role of the Ministry as construction contractor, and later on describe the first rather briefly. [] also to leave out the detailed description of the Ministry as producer of building materials. 25X1 25X1

There are four links in the organizational structure of the ministry;
Top level executive officials (Minister, vice-Ministers, general directors)
The departments of the Ministry, or its staff
Central administrations
Enterprises

It should be added that departments and central administrations are on the same level as far as hierarchy and authority are concerned. The central administrations, which are administrative offices (similar to a large business []

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company head office), have in principle a more important role to fulfill for the Ministry of Construction, as a leader of the construction industry, because they control the production and supervise the enterprises. On the other hand, the the departments have a most important role to fulfill for the Ministry as a governmental administrative office and as a policy-making national governmental organ.

3. Organizational structure of the Ministry of Construction and Building Materials Industry. Top level executive officials and departments of the Ministry.

Detailed organization of the Ministry of Construction and Building Materials Industry [redacted] 25X1

[redacted] this organization remains in principle unchanged, with the exception of two minor adjustments which will be described below. [redacted] 25X1

The actual organizational structure of the Ministry itself i.e. the top executive officials and departments, is shown in the organizational chart [redacted] It should be mentioned that the central administrations and enterprises which are subordinated to and supervised by the Ministry are, in fact separate, and as far as possible in the communist centralized economy, they are autonomous units from the legal point of view, and are not supported by the state budget. 25X1

Top level executive officials.

The Ministry is run by the Minister with the help of six vice-minister^s and two general directors. The organizational chart shows how the enormous tasks and responsibilities of the Ministry are divided among the top level executive officials. Each of them is responsible for a number of problems, a sphere of responsibility called in Polish "plumb" (pion) which goes in vertical direction through departments, central administrations down to enterprises or establishments. Each of them

supervises several departments and controls a group of several enterprises including their central administrations.

There are three exceptions to this rule:

a. Minister diploma engineer, Stefan Pietrusiewicz, supervises directly: Ministers Office, Personnel Department, Military Department, Local Antiaircraft Civil Defense Section and two Planning Departments for Construction Industry and for Building Materials Industry. He does not deal directly with central administrations and enterprises. However in some exceptional cases, he takes over, for a definite time, some enterprise such as e.g. metallurgical and machinery export enterprises "HUTEX" and "FABEX", new enterprises created for organization of export of factories for the production of gas concrete to USSR, Czechoslovakia, Yugoslavia, Eastern Germany.

Departments

The Ministry of Construction and Building Materials Industry has 23 departments: and Ministers Office (Gabinet Ministera)

1. Minister's Office	Gabinet Ministra
2. Personnel DPT	Dept. Kadr
3. Military Dpt.	Dpt Wojskowy
4. Local Antiaircraft Civil Defense Section	Samodzielny Referat TOPL
5. Industry Construction/Planning Dpt.	Dpt Planowania Budownictwa
6. Building Materials Industry/Planning	Dpt Planownia Przemyslu Materialow Budowlanych
7. Organizational Dpt	Dpt Organizayjny
8. Finance Dpt.	Dpt. Finansowy
9. Accounting Dpt	Dpt. Ksiegowosci
10. Employment Wages & Safety and Hygiene of Work Dpt.	Dpt Zatrudnienia Plac, Bezpieczenstwa i Higieny Pracy
11. Economy & Estimates Dpt.	aDpt Ekonomiczny i Kosztorysow
12 Construction-Assembly Production Dpt	Dept. Produkcji Budowlano Montazowej

13. Antifire Inspectorate	Inspektorat Przeciw P ozarniczy
14. Rural and Homestead Construction Dpt.	Dept. Budownictwa Wiejskiego i Terenowego
15. Transportation Dpt.	Dpt. Transportu
16. Chief Mechanic DPT	Dpt. Glownego Mechanika
17. Investment Dpt.	Dpt. Inwestycji
18. Logistic Supply Administration	Zarząd Administracyjno- Gospodarczy
19. Vocational Training Administration	Zarząd Szkolenia Zawodowego
20. Administration of Engineering	Zarząd Techniki
21. Building Materials Technolgy Dpt.	Dpt. Technologji Materialow Budowlanych
22. Mining Geological Dpt.	Dpt. Gorniczo- Geologiczny
23. Investment Project Evaluation Team	Zespół Oceny Projektow Inwestycyjnych
24. Quality Technical Control (Department for Build- ing Materials Production)	Departament Kontroli Technicznej Produkcji Materialow Budowlanych

The composition of individual departments and their responsibilities were described

There have been only two minor changes since 1957.
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- a. The former Main Inspectorate for Safety and Hygiene of Work was included into the
Employment and wages Department as a section.
- b. A new department was created under the name, Quality Technical Control Department
for Building Materials Production (Departament Kontroli Technicznej Produkcji
Materjalow Budowlanych).

Three among the ²⁴~~22~~ departments of the Ministry of Construction and Building Materials Industry have the name a d m i n i s t r a t i o n :

Logistic Supply Administration (Zarząd Administracyjno-Gospodarczy)

Engineering Administration (Zarząd Techniki)

Vocational Training Administration (Zarząd Szkolenia Zawodowego)

They are from every point of view normal departments, but were renamed administrations for legal reasons.

The Logistic Supply Administration has, among other responsibilities, a workshop for repair of automobiles assigned to the Ministry and as such controlled an enterprise. Because a department, as a staff agency, has no right to carry on a production or servicing business it was necessary to give it the name of administration in order that it could open an account at the bank, make a loan etc. as a legal unit. In addition the Logistic Supply Administration had under own management recreation centers, summer camps for children, a cafeteria for the Ministry's employees, and acted as investor for apartment houses allocated to the Ministry.

Similarly the Engineering Administration organized an Enterprise for Technical Assistance (Przedsiębiorstwo Pomocy Technicznej) which received orders from individual enterprises and carried out studies, research and pioneer work in the field of technical progress, e.g. a new technical method of plastering of walls or concrete. This enterprise employs instructors, and, on request of enterprises, sends these instructors and machinery to the building sites. It is implementing a production contract and at the same time insuring technical progress, training technicians and workers of the enterprise in the new method. In order to be permitted to manage such an enterprise, the former department of technics was converted in 1953 into ^{an} administration/

Finally, the Vocational Training Administration was renamed because it manages vocational schools, courses, boarding houses for students.

However these three administrations are regarded as integral parts of

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the Ministry as departments, and not as administrations in charge of production and services.

ORGANIZATIONAL STRUCTURE OF THE MINISTRY OF CONSTRUCTION AND BUILDING MATERIALS INDUSTRY

